

TO: BOARD OF DIRECTORS

REVEIWED: MARIO IGLESIAS  
GENERAL MANAGER



FROM: CRAIG A. STEELE  
GENERAL COUNSEL

DATE: SEPTEMBER 3, 2020



## **APPROVE UPDATED NIPOMO COMMUNITY SERVICES DISTRICT PURCHASE POLICY AND PROCEDURES**

### **ITEM**

Review and Approve Updated Nipomo Community Services District Purchase Policy and Procedures [RECOMMEND ADOPT RESOLUTION APPROVING UPDATED PURCHASE POLICY AND PROCEDURES]

### **BACKGROUND**

The Nipomo Community Services District ("District") Board last updated the District's Purchase Policy and Procedures in 2010. More recently, your Board adopted the provisions of the Uniform Public Construction Cost Accounting Act ("UPCCAA") into the District Code. The UPCCAA, as permitted by State law, allows the District to use less formal bidding procedures for public works contracts worth between \$60,000 and \$200,000, making it much more efficient to get smaller jobs done. For public works contracts less than \$60,000, the District's Code and the UPCCAA permit the work to be done by the District's own forces or by negotiated contract.

The move by the District to use the provisions of the UPCCAA requires that the Purchase Policy and Procedures document be updated. Along with those updates, best financial practices also require that the District and the Board periodically look at our processes to make sure they are up to date, and reflective of current practices. This update does both.

The updated policy provides a roadmap for staff to use in the purchasing and procurement area, and provides the controls and transparency that a public agency should use in contracting for goods and services. As proposed to be updated, the policy is entirely consistent with State law and best practices. The more substantive proposed updates would:

- Improve and update rules that prohibit conflicts of interest and require ethical conduct in purchasing. The update Policy provides greater transparency, and prohibits staff or officials from receiving commissions and other unlawful consideration in exchange for contracts.
- Increases dollar thresholds for obtaining written quotes, informal bidding and formal bidding to reflect the reality that the District's costs and typical purchases are more expensive than when this policy was last updated in 2010.
- Provides a process for the informal bidding procedures authorized by the Uniform Public Construction Cost Accounting Act and District Code. Public Works contracts up to \$60,000 may be performed by District personnel or through negotiated contract or purchase order rather than the formal and time consuming bidding process. For public works contracts worth between \$60,001 and \$200,000, the informal bid procedures in UPCCAA and District Code will control. For public works contracts of \$200,000 and up,

UPCCAA formal bidding procedures apply. The detail for these procedures is found in new Section 5.2. These provisions match California law.

- Allows the District to “piggyback” on another public agency’s legal solicitation to avoid re-bidding for the same good or service, if the District obtains the same price and terms as the “piggyback” bid.
- Allows for sole source procurement in the limited circumstance where the unique good or service or product specification is available only from one source. The General Manager must approve written findings to support a sole source procurement under \$25,000 and the Board must approve a contract for more than \$25,000.
- Provides definition for the term “professional services” contracts where competence and experience are permitted factors in the contracting decision along with cost. Also allows for negotiation where only one provider will meet the District’s unique needs.
- Allows NCSD to make payments for goods and services by Electronic Funds Transfer subject to the same rules as District paper checks and rules imposed by the bank.

The other proposed changes to the policy are ministerial or clean-up changes. A redline version comparing the proposed changes to the existing policy is attached to the staff report [Attachment B]. A revised copy with the proposed changes incorporated into the policy, a clean copy, can be found as Attached 1 of the draft resolution [Attachment A].

### **RECOMMENDATION**

Staff recommends that your Board review and discuss the amended Purchase Policy and Procedures and, by motion and roll call vote, adopt the attached Resolution to approve the document.

### **ATTACHMENT**

- A. Draft Resolution Approving Amended Purchase Policy and Procedures
- B. Proposed Amendments to District Purchase Policy and Procedures (black-line)

SEPTEMBER 9, 2020

ITEM E-1

ATTACHMENT A

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2020-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT ADOPTING AN  
UPDATED PURCHASE POLICY AND PROCEDURES**

**WHEREAS**, following best practices as a public entity, NCSD has a purchase policy and procedures for obtaining goods and services; and

**WHEREAS**, NCSD's purchase policy and procedures ensure that NCSD obtains goods and services on the open market, where possible, pursuant to rules that ensure transparency, fairness to all bidders and suppliers, and decisions that are made free from conflicts of interest; and

**WHEREAS**, in the interest of efficiency and accountability, the Board of Directors of NCSD has reviewed and intends to update NCSD's purchase policy and procedures, last updated in 2010.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the Nipomo Community Services District, as follows:

1. The facts and findings stated above are true and correct and incorporated herein.
2. The Purchase Policy and Procedures attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted.
3. Resolution No. 2010-1201 is hereby repealed.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

the foregoing resolution is hereby passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
**DAN A. GADDIS**  
President of the Board

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
**MARIO E. IGLESIAS**  
General Manager and Secretary to the Board

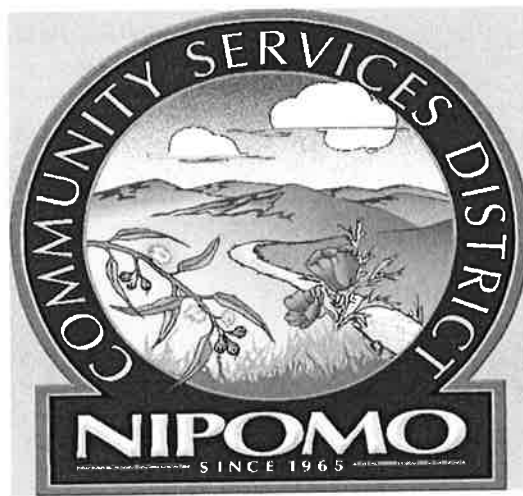
\_\_\_\_\_  
**CRAIG A. STEELE**  
District Legal Counsel

Exhibit "A"

Purchase Policy and Procedures

# NIPOMO COMMUNITY SERVICES DISTRICT

## PURCHASE POLICY AND PROCEDURES



RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_, 2020

# **NIPOMO COMMUNITY SERVICES DISTRICT PURCHASING POLICY AND PROCEDURES**

## **CHAPTER 1 - POLICY**

### **1.1 PURPOSE**

It is in the interest of the Nipomo Community Services District ("NCSD") to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

### **1.2 PROCEDURES**

This Purchase Policy provides the authority, approval requirements and procedures for the procurement of materials, supplies, equipment, services, and Public Works referenced in the approved fiscal year budget.

### **1.3 FISCAL YEAR BUDGET**

The fiscal year budget approved by the Board provides the authority to NCSD staff to procure materials, supplies, equipment, services, and Public Works referenced in the approved budget for the upcoming fiscal year.

### **1.4 CONFLICTS WITH LAWS**

To the extent any provision herein conflicts or is inconsistent with State or Federal law, then said State or Federal law shall control, but only to the extent of the inconsistency, and no other provisions herein shall be affected.

### **1.5 SEVERABILITY**

If any one or more of the provisions/sections contained in this Purchase Policy shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Purchase Policy

shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

## **1.6 MONITORING**

**A.** It is important for the NCSD to evaluate materials, equipment, and services of all current suppliers. Suppliers with a low rating can be viewed as costing the NCSD time and money, and, therefore, should be terminated upon documentation.

**B.** In an effort to obtain the best prices possible, vendors contacted for quotes and/or bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.

**C.** This Purchase Policy should be reviewed on a periodic basis and updated where deemed appropriate to reflect changes in the NCSD's operations. The General Manager, acting with the Board, may at any time make changes to this Purchase Policy to facilitate a more efficient and accountable purchasing process for the NCSD.

## **1.7 LIMITATIONS**

Except for Section 6.1(B), this Purchase Policy does not apply to payment of Recurring Expenditures as defined herein.

## **1.8 CONFLICTING PROCEDURES**

When contracting for services that include the installation of equipment such as computers and electronic devices, the determination of whether the purchase should be as a procurement of material, supplies, and equipment or the procurement of services shall be made at the General Manager's discretion after giving consideration to the costs of the equipment, whether or not the equipment is unique to the person or firm providing the services and the cost of the services.

## **1.9 EMPLOYEE CONFLICTS**

**A.** NCSD employees, officers, and Directors are prohibited from using the following practices in conducting business activities:

- 1.** Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, commissions, or other unlawful consideration.



2. Participating in the selection process when the employee, officer, or Director has a relationship with a person or business entity seeking a contract which would subject the employee to the same prohibition as in Government Code Section 87100 related to Conflicts of Interest, which provides:

“No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.”

3. Purchasing or otherwise acquiring NCSD property and equipment, including surplus property and equipment, for personal use or profit.

B. No NCSD employee, officer, or Director shall accept, directly or indirectly, any gift, rebate, money or anything else of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be inducement for conducting business, placing orders with, or otherwise using the recipient's position with NCSD to secure an agreement with the NCSD.

## **1.10 ETHICAL CONDUCT IN PURCHASING**

A. Ethical conduct in managing the NCSD's purchasing activities is absolutely essential. Staff must always be mindful that they represent the District and the Board of Directors and share a professional trust with other staff and the general public. Therefore, when making a purchase, keep in mind the following factors:

1. Is this purchase necessary for the job at hand or for the NCSD to carry on its normal business activities?
2. Is this a reasonable and lowest possible cost for this type of purchase?

B. This Policy explicitly prohibits splitting purchase orders in a fiscal year for the purpose of evading the specified dollar limits and avoiding its procurement requirements.

Splitting purchases does not allow for a competitive marketplace, increases administrative workflow, and may create ethical issues.

## **CHAPTER 2 - GENERAL**

### **2.1 DEFINITIONS**

- A. General Manager. The NCSD General Manager and Treasurer or, in his/her absence, the Assistant General Manager.
- B. Assistant General Manager. The NCSD Finance Director and Assistant General Manager.
- C. Board of Directors or Board. The Board of Directors of the NCSD that establishes policies for the operation of the NCSD.
- D. Capital Equipment. Equipment with a purchase price of five thousand dollars (\$5,000) or more as designated by the General Manager.
- E. Contract. A written agreement covering the performance of work or services including the furnishing of labor, materials, tools and equipment in performing services to the NCSD. The term Contract includes Purchase Orders.
- F. NCSD. Nipomo Community Services District.
- G. Department Manager. The General Manager, Assistant General Manager, and Director of Engineering and Operations.
- H. Change Order or Contract Amendment. Alterations, deviations, additions to or deletions from the plan, specifications and/or scope of services, including the right to increase or decrease the quantity of any item or portion of the work or services or to delete any item or portion of the work or services as may be deemed to be necessary, as determined by the NCSD, for the proper completion, construction of the work or services contemplated.
- I. Task Order Contract. Contract with pre-qualified consultant or contractor where specific services are contracted for by Task Orders.
- J. Emergency. "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.

**K. Purchasing Agent.** Department Manager.

**L. Purchase Order.** A form designed to contain all necessary information and signatures relevant to purchases by the NCSD and is used as a written order to a vendor and may be either an original order or may confirm a verbal order. The current Purchase Order forms may be developed and/or modified from time to time at the discretion of the General Manager.

**M. Recurring Expenditures.** Administrative expenditures that occur from time to time in the normal course of NCSD business, including, but not limited to, the following: Utilities (electricity, natural gas, telephone service, etc.), servicing of NCSD equipment pursuant to contract, fuel for operation of NCSD vehicles and equipment, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental and on-going rental payments.

**N. Warrants.** Checks for payment of materials, supplies, equipment, Public Works and services received by the NCSD.

**O. Purchase Policy and Procedures or Purchase Policy(ies).** Chapter 2.37 of the NCSD Code.

## **2.2 SIGNING AUTHORITY**

The General Manager, or in his/her absence the Assistant General Manager, is hereby authorized to sign on behalf of the NCSD the following documents:

**A.** Any documents necessary to conduct the general business of the NCSD that does not require prior approval of the Board.

**B.** Any documents necessary to conduct the general business of the NCSD requiring approval of the Board, after said documents have received approval of the Board, unless the Board specifies that the document be signed by the Board President.

## **2.3 BUDGETED PROCUREMENTS**

**A. Budget.** At the beginning of each fiscal year the Finance Director shall issue a complete NCSD Budget approved by the Board. This budget will contain the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each NCSD department will receive its own budget for conducting purchasing

transactions. It is the responsibility of each Department Manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity.

**B. General Manager Approval.** Subject to Section C, below, the General Manager or, in his/her absence, the Assistant General Manager shall approve all Contracts, Contract Amendments, Change Orders, Task Order Contracts (and related Task Orders) and Purchase Orders. "Absence" means the General Manager's inability to exercise his or her authority at the time when the NCSD needs to take necessary steps to procure goods or services.

**C. Board Approval Required.** Board approval is required for the following:

1. Contracts, Contract Amendments and Purchase Orders for the purchase of supplies, equipment or materials where the estimated cumulative cost is twenty-five thousand dollars (\$25,000) or more.
2. Professional service contracts and Amendments where the estimated cumulative cost is twenty-five thousand dollars (\$25,000) or more.
3. Public Works contracts where the estimated cumulative cost is two hundred thousand dollars (\$200,000) or more.
4. Task Orders or Task Order Amendments where the original scope of service or work is exceed by ten thousand dollars (\$10,000).
5. Any procurement referred to the Board by the General Manager or Assistant General Manager.

## **2.4 UNBUDGETED PROCUREMENTS**

The Board shall approve all unbudgeted expenditures except for the following:

**A.** The General Manager or, in his/her absence, the Assistant General Manager is authorized to approve unbudgeted expenditures up to five thousand dollars (\$5,000) for any single purchase.

**B.** Upon written finding of the General Manager that an emergency situation exists, the General Manager is authorized to approve unbudgeted expenditures up twenty-five thousand dollars (\$25,000).

C. The General Manager shall account to the Board within thirty (30) days of the expenditures authorized by subparagraphs A & B, above and request the appropriate budget amendments and/or transfers.

## 2.5 METHODS OF PROCUREMENTS.

The following chart summarizes methods of procurement by category.

A. **Materials, Supplies and Equipment.** See Chapter 3, below, for procedures and limitations.

| DOLLAR AMOUNT     | PROCUREMENT METHOD   |
|-------------------|--|
| \$0-\$2,500       | No Purchase Order Required   |
| \$2,501-\$10,000  | Written Quote (minimum 1 quote) Purchase Order or Contract Required  |
| \$10,001-\$24,999 | Written Quote (minimum 2 quotes) Purchase Order or Contract Required   |
| \$25,000 +        | Prepare Notice of Inviting Proposals for Board Approval – Board Approval Required for Contract or Purchase Order |

B. **Professional Services.** See Chapter 4, below, for procedures and limitations.

| DOLLAR AMOUNT | PROCUREMENT METHOD  |
|---------------|---|
| \$0-\$24,999  | Solicit Proposals From a Qualified Consultant/Professional By Whatever Method The Purchasing Agent Deems Appropriate Under The Circumstances. |
| \$25,000 +    | Prepare Request For Proposals for Board Approval – Board Approval of Contract Required.   |

**C. Public Works.** See Chapter 5, below, for procedures and limitations.

| <b>DOLLAR AMOUNT</b>  | <b>PROCUREMENT METHOD</b>   |
|---|---|
| (Dollar limits are provided in the Uniform Public Construction Cost Accounting Act and may subsequently be amended) | (Informal bidding procedures are provided in the Uniform Public Construction Cost Accounting Act and may subsequently be amended) |
| \$0-\$60,000  | May be performed by NCSD employees by force account, by negotiated contract, or by purchase order                                 |
| \$60,001-\$200,000  | Contract by informal procedures as set forth in the Uniform Public Construction Cost Accounting Act                               |
| \$200,001+  | Contract by formal procedures as set forth in the Uniform Public Construction Cost Accounting Act                                 |

## **CHAPTER 3 - PURCHASE OF MATERIALS, SUPPLIES AND EQUIPMENT**

### **3.1 INTRODUCTION**

**A.** The following procedures are established for the purchase of materials, supplies and equipment, as referenced in Government Code Section 54202.

**B.** In addition to the procedures of this Chapter:

1. The NCSD may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Public Contract Code Section 10298; and

2. The NCSD may request the Purchasing Agent of the County of San Luis Obispo to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3 of the Government Code.

3. The NCSD may rely on a legally compliant solicitation conducted by another local, regional, state, or national public agency provided that the materials, supplies, and

equipment are provided to the NCSD at the same price, and on the same terms and conditions as in that solicitation.

**C. Methods of Procurement.**

1. Purchases of materials, supplies and equipment are normally made pursuant to Purchase Orders as described in this Chapter.

2. In the discretion of the Purchasing Agent and with the approval of the General Manager and NCSD Legal Counsel a contract may be substituted for a Purchase Order.

**3.2 PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000).**

For purchases of materials, supplies and equipment with an estimated cost of less than \$25,000 the following shall apply:

**A. Types of Quotations.**

1. No purchase order is required for standard or non-complex materials with an estimated price of 2,500 or less.

2. Verbal. Verbal requests for quotations will be provided to a minimum of two (2) vendors for purchases of standard or non-complex materials with an estimated price of \$2,501 to \$10,000 and not covered by a contractual agreement.

3. Written. Written requests for quotations (RFQ) will be sent to a minimum of two (2) vendors under the following conditions:

- a. Purchases estimated to exceed \$10,000, but less than a total of \$25,000.
- b. All Capital Equipment purchases exceeding \$10,000, but less than a total of \$25,000.
- c. Non-standard conditions, requirements, instructions, etc.
- d. Any occasion where more permanent documentation is advisable.
- e. Any purchase based on best value rather than lowest price.

**B. Award of Purchase Orders.** The Department Manager will examine the quotations for completion and thereon determine the most responsive bidder with consideration

of price and date of delivery. The quotation will be attached to the Purchase Order. The purchase order and the award will be made by the Department Manager after review by the General Manager. The Department Manager or his/her designee will notify the successful and unsuccessful vendors.

### **3.3 PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000).**

**A.** Purchases of material, supplies and equipment equaling to or greater than twenty-five thousand dollars (\$25,000) shall be approved by the Board with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the NCSD's specifications with the consideration of price and delivery dates.

**B.** The Notice of Inviting Proposals shall be published and distributed by the Department Manager in a manner to reasonably assure that the proposed purchase is made to a vendor that most closely meets the NCSD's specification with consideration of price, availability of service and delivery dates.

**C.** Notice of Inviting Proposals shall include the following:

1. A statement of specifications of equipment and/or supplies to be purchased;
2. The location and deadline for submission of proposals;
3. The location where the specifications and proposal blanks forms, if required, may be secured;
4. The proposed delivery date and place of delivery;
5. The date, time and place assigned for the opening of sealed proposals;
6. The type and character of proposal security required, if any;
7. A statement that the NCSD intends to award the Contract to the vendor who submits a proposal that most closely meets the NCSD specifications with the consideration of price and delivery dates;
8. That the NCSD reserves the right to reject all proposals; and
9. Notice that no vendor can withdraw its proposal for a period of sixty (60) days from the date of opening proposals.



**D. Alternative Procedure.** As an alternative to the procedures described in Paragraphs A, B and C, above, the Board may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another public agency for similar equipment and/or supplies upon the Board approving the purchase by Resolution making the following findings:

1. The other agency's procedures for the purchase were substantially similar to the NCSD's procedures as stated in Paragraphs A, B and C, above.

2. The equipment and/or supplies to be purchased by NCSD is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the NCSD's specifications.

3. The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

### **3.4 NON-COMPETITIVE NEGOTIATIONS.**

**A.** Under some circumstances, the NCSD competitive solicitation requirements may be dispensed with when the services, materials, supplies and equipment are only available from one source either because the brand or trade name article, goods, or product is the only one which will properly meet the needs of the NCSD or the item is unique and available only from a sole source.

**B.** This approach involves procurement of materials, supplies and equipment through solicitation of a proposal from only one source. Such negotiations may be used in limited situations when the award of a contract or purchase order is not feasible under other methods upon the following findings:

1. The purchase price is reasonable; and

2. One or more of the following exists:

a. The product is the only one that will properly meet the needs of the NCSD because:

i The item is unique and is available only from a sole source; or

ii The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.

- b. The product will be used in a field test or experiment to determine the products suitability for future use.
- c. The procurement is for the renewal or extension of a contract for continuing professional services to the NCSD.
- d. Public exigency or emergency will not permit delay.
- e. A Federal Grantor authorized non-competitive negotiations.

**C. Findings**

1. The Department Manager shall make written findings referenced in subparagraph B2 above to be approved by the General Manager for purchases less than twenty-five thousand dollars (\$25,000) that are not otherwise approved by the Board.

2. The Board by Resolutions shall adopt findings for purchases referenced in subparagraph B2 above for purchases of twenty-five thousand dollars (\$25,000) or more.

**3.5 PURCHASE ORDER PREPARATION.**

**A.** Purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the NCSD.

**B.** The purchase order form is used as a written order to a vendor and shall include a Purchase Order number. A Purchase Order may also serve as a written change order. Purchase Orders must be approved as referenced in Section 3.2 above.

**C.** Each purchase order form shall be filled out by the NCSD employee prior to NCSD funds being obligated for a purchase and shall contain the following information:

- 1. Purchase order number, date, department, and who wrote it.
- 2. To whom the purchase order is issued, together with a complete address.
- 3. Quantity/unit and description of item(s) to be purchased.
- 4. Account number to be charged.
- 5. Unit price and extended amount (depending upon quantity).
- 6. If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.

7. The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract amount.

8. The total amount of the purchase order shall include charges for freight and tax, if applicable.

9. The initial purchase order MUST have attached to it the following: the written quote or estimate or a copy of the contract, or other backup supporting documentation.

D. The completed purchase order shall be distributed as follows:

1. Vendor Copy (white original) – to be delivered to the vendor, if desired and or/required.

2. Accounts Payable (yellow carbon) – to be delivered to Accounts Payable and attached to the approved invoice.

3. Department Copy (pink carbon) – shall be maintained by the Department in chronological order for accountability purposes.

E. The purchase order must be submitted immediately to the General Manager or his/her designee. The purchase order date must precede the order date.

F. Any incomplete purchase orders will be returned to the Department Manager for completion.

G. Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.

H. When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

### **3.6 OPEN PURCHASE ORDERS.**

A. A blanket or open purchase order can be used to reduce the time-consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.

B. Open purchase orders are to be used when the NCSD will:

1. Purchase repetitive, specified services or items, or categories of items from the same vendor over a period of less than one year, or on a monthly basis.

2. Order standard materials or maintenance supplies, which require numerous shipments.

3. Obtain more favorable pricing through volume commitments.

C. An employee making a purchase with an open purchase order vendor shall immediately transmit the invoice to his/her Department Manager for processing. The Department Manager shall sign the invoice and indicate the budgetary account upon the face of the invoice and promptly route the invoice to Accounts Payable for payment.

D. Open purchase orders generally should NOT be used when:

1. No benefit will be derived over and above a regular purchase.

2. Prices are unknown at ordering time, or subject to change later without notice.

3. Quality of vendor or service is questionable.

4. Control over NCSD expenditures would be weakened significantly.

E. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.

F. Each year during the month of June, each Department Manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

## **CHAPTER 4 - PROCUREMENT OF PROFESSIONAL SERVICES**

### **4.1 APPLICABILITY.**

A. The procedures established herein are for the procurement of professional and consulting services including, but not limited to, auditors, electricians, financial advisors, technology advisors, rate consultants, plumbers, private architects, landscape architect, engineers, environmental consultants, land surveyors, and/or construction project managers, or other individuals or organizations possessing a high degree of professional, unique specialized technical skill or expertise, not always adaptable to competitive bidding.

B. It is the policy of the NCSD to employ professional and other consultant services whenever it is in the NCSD's best interest.

C. The requirements to solicit proposals referenced in Sections 4.4 & 4.5, below, do not apply to:

1. Contract Amendments so long as the amendment is related to the completion of the contemplated work or services of the original Contract.
2. Contracts for the continuation of professional service where the key personnel providing services have relocated to a different firm or company.
3. Contracts for services related to litigation.

#### **4.2 METHOD OF PROCUREMENT.**

Procurement of Professional Services is normally made pursuant to a Contract or Task Order Contract.

#### **4.3 QUALIFICATIONS.**

Professional service contracts shall be awarded on the basis of demonstrated competence and qualifications for the type of service to be performed and at a fair and reasonable price to the NCSD.

#### **4.4 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000).**

A. For contracts estimated to be less than \$25,000 the Purchasing Agent will solicit proposals from the qualified consultants and professionals by whatever method the Purchasing Agent deems most appropriate under the circumstances.

B. Professional services will only be procured by a contract that is approved by the General Manager and NCSD legal counsel.

#### **4.5 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND DOLLARS (\$25,000) OR MORE.**

The following procedures shall apply the procurement of professional services with an estimated cost of twenty-five thousand dollars (\$25,000) or greater.

A. The Board of Directors shall approve the request for proposals and the award of professional service contracts.

**B.** The written contract shall be awarded to the professional service provider who, in response to a request for proposals, submits a statement of qualifications and proposal for services that most closely meets the NCSD's requirements at a fair and reasonable cost.

#### **4.6 NON-COMPETITIVE NEGOTIATIONS.**

**A.** Under some circumstances, the NCSD competitive solicitation requirements may be dispensed with when the professional service is only available from one source either because the professional service provider is the only provider which will properly meet the needs of the NCSD or the professional service is unique and available only from a sole source.

**B.** This approach involves procurement of professional services through solicitation of proposals from only one source. Such negotiations may be used in limited situations based on the following findings:

1. The service provider is qualified pursuant to Section 4.3.

2. The cost of the services is reasonable; and

3. One or more of the following exists:

a. The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the NCSD; or

b. An Emergency will not permit delay.

**C. Findings**

1. The Department Manager shall make written findings referenced in subparagraph A, above, to be approved by the General Manager for Professional Services Contracts where the cumulative costs are estimated at less than twenty-five thousand dollars (\$25,000) that are not otherwise approved by the Board.

2. The Board by Resolutions shall adopt findings references in subparagraph A, above, for Professional Services Contracts where the cumulative costs are estimated at twenty-five thousand dollars (\$25,000) or more.

## **CHAPTER 5 - PROCUREMENT OF PUBLIC WORKS**

### **5.1 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (UPCCAA).**

Pursuant to Public Contract Code Section 20682(g), the NCSD has elected to become

subject to the Uniform Public Construction Cost Accounting Act ("UPCCAA"), Public Contract Code Sections 22000 *et seq.*, when contracting for the construction of public projects, as defined by Public Contract Code Section 22002. Where applicable, the NCSD will adhere to the alternative bidding procedures provided by the UPCCAA. Public projects (as defined in Public Contract Code Section 22002) that do not exceed the dollar limits in Public Contract Code Section 22032(b) (as such limits currently exist or may subsequently be amended) may be let to contract by informal procedures as set forth in the UPCCAA.

## **5.2 UPCCAA CONTRACTING PROCEDURES AND DOLLAR AMOUNT LIMITATIONS.**

Contracts for public projects shall be awarded pursuant to the dollar limitations established by the UPCCAA (Public Contract Code Section 22032(b)), which as of the time of the adoption of this Policy are as follows:

- A.** Public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
- B.** Public projects of two hundred thousand dollars (\$200,000) or less may be let to contract by informal procedures as set forth in the UPCCAA.
- C.** Public projects of more than two hundred thousand dollars (\$200,000) shall, except as otherwise provided in the UPCCAA, be let to contract by formal bidding procedures.

Pursuant to Public Contract Code Section 22033, it shall be unlawful to split or separate into smaller work orders or projects any public project for the purpose of evading the requirements of the UPCCAA.

## **5.3 INFORMAL BIDDING PROCEDURES.**

Pursuant to the UPCCAA (Public Contract Code Section 22034), the NCSD enacted an informal bidding ordinance to govern the selection of contractors to perform public projects subject to informal bidding procedures under Public Contract Code Section 22032(b). The NCSD's informal bidding ordinance is codified in Chapter 2.43 of the NCSD Code.

Pursuant to Public Contract Code Section 22034(d), if all bids received pursuant to the NCSD's informal bidding procedures are in excess of two hundred thousand dollars (\$200,000),

the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand five hundred dollars (\$212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the NCSD was reasonable.

#### **5.4 FORMAL BIDDING PROCEDURES.**

The formal bidding procedures provided by the UPCCAA (Public Contract Code Sections 22037 *et seq.*) will govern the selection of contractors to perform public projects subject to formal bidding procedures under Public Contract Code Section 22032(b).

#### **5.5 EMERGENCIES.**

A. Pursuant to Public Contract Code Section 22035, in cases of emergency when repair or replacements are necessary, the Board may proceed at once to replace or repair any public facility without giving notice for bids to let contracts. The work may be done by day labor under the direction of the Board, by contractor, or by a combination of the two.

B. In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 of the Public Contract Code (commencing with Section 22050).

### **CHAPTER 6 - PAYMENT**

#### **6.1 WARRANTS**

A. All supporting documents including the, Purchase Order, Task Order, proof of receipt, packing slip, etc. will be attached to the Invoice and presented to the General Manager for payment pursuant to subparagraph B, below. The Invoices will be reviewed and initialed by the General Manager verifying that the documents are internally consistent, that invoices being paid are original, that receipt of goods or services has been acknowledged by the NCSD Department Manager and that the amounts agree between documents.

B. The General Manager is authorized to approve Warrants for Recurring Expenditures that are within 110% of the budget. The Board of Directors shall approve all other Warrants as part of its approval of the Warrant Register.



C. A copy of the Warrant shall be made prior to it being mailed. The Invoice and supporting documentation shall be attached to the copy of the Warrant and then filed by vendor/service provider and separated by the fiscal year in which the payment was made.

## **6.2 CHECK SIGNING PROCEDURES**

A. The Directors of the NCSD, the General Manager and the Assistant General Manager are authorized to sign checks on behalf of the NCSD.

B. All checks issued by the NCSD shall contain two (2) signatures, one of which shall be a Director of the NCSD.

## **6.3 PAYMENT VIA NCSD CREDIT CARDS**

A. All purchases using a NCSD credit card are subject to the same requirements and procedures as outlined in of this policy, and the following additional requirements:

1. All NCSD credit cards shall be issued on a department basis in the name of each Department Manager. The General Manager shall manage the administration of NCSD credit cards.

2. Only the General Manager and the Department Managers are authorized to sign credit card purchases. Department Managers may allow their department employees to use the department credit card; however, the Department Manager is responsible for its care and control.

3. The following travel and meeting expenses are authorized to be paid by NCSD credit cards:

- Telephone calls to the NCSD when out of town;
- Expenses related to travel by car on NCSD business;
- Lodging and meals when out of town on NCSD business; and
- NSCD approved seminars and business meetings.
- Credit card receipts SHALL BE obtained for these expenses and turned in immediately upon return to the NCSD Treasurer or his/her designee. If a credit card receipt is lost or misplaced, the receipt replacement form must be

promptly filled out by the responsible person and turned in to the NCSD Treasurer or his/her designee.

4. The credit limit on the NCSD credit cards shall be six thousand dollars (\$6,000) per month for the General Manager and one thousand dollars (\$1,000) per month for each Department Manager.

5. Credit card purchases for orders that are made via telephone or Internet are permitted. Purchases over five hundred dollars (\$500) must be accompanied by a purchase order. A receipt must be obtained and turned in to Accounts Payable.

6. The use of NCSD credit cards for personal purchases or spending is prohibited. Any violation of this policy will result in loss of NCSD credit card privileges and violations are subject to disciplinary action.

7. Cash advances on any NCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

#### **6.4 PETTY CASH PROCEDURES**

A. The NCSD Treasurer or his/her designee shall maintain a petty cash fund of two hundred dollars (\$200).

B. Signed receipts are required for all withdrawals from petty cash. There are no exceptions to the receipt rule.

#### **6.5 PAYMENT BY ELECTRONIC FUNDS TRANSFER**

A. NCSD may make payments by Electronic Funds Transfer ("EFT") in compliance with the applicable payment provisions of this Chapter 6 and banking rules and regulations.

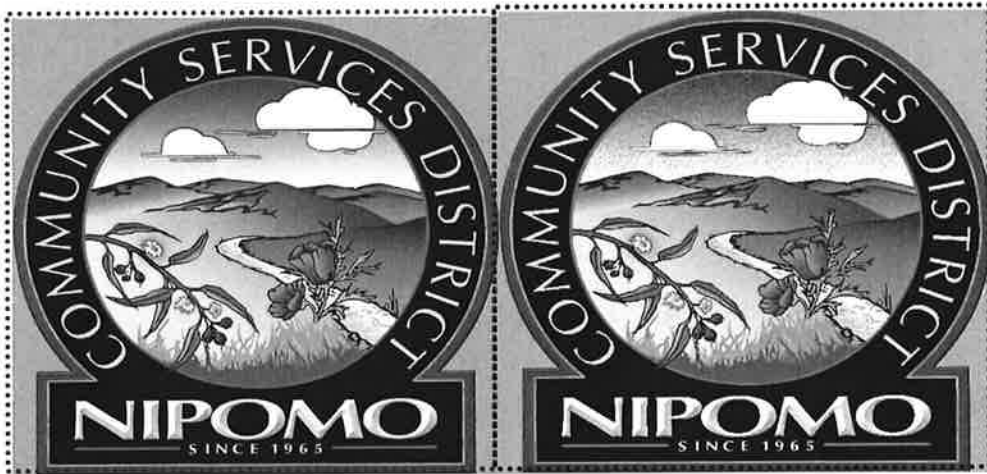
SEPTEMBER 9, 2020

ITEM E-1

ATTACHMENT B

# NIPOMO COMMUNITY SERVICES DISTRICT

## ~~PURCHASE POLICIES~~POLICY AND PROCEDURES



RESOLUTION NO. 2010-1201\_\_\_\_\_

SEPTEMBER 22, 2010

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PURCHASE POLICIES AND PROCEDURES  
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2020

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TITLE 8  
NIPOMO COMMUNITY SERVICES DISTRICT  
PURCHASE POLICIES AND PROCEDURES

CHAPTER 8.1  
PURCHASING POLICY AND PROCEDURES

CHAPTER 1 - POLICY

1.1    PURPOSE

It is in the interest of the Nipomo Community Services District ("NCSD") to establish administrative procurement practices that facilitate efficient business operations and provide fair compensation and local workforce opportunities whenever possible within a framework of high quality, competitive service offerings.

1.2    ~~8.1.10.~~ **PROCEDURES**

This ~~title~~Purchase Policy provides the authority, approval requirements and procedures for the procurement of materials, supplies, equipment, services, and Public Works and ~~services~~ referenced in the approved fiscal year budget.

1.3    ~~8.1.20.~~ **FISCAL YEAR BUDGET**

The fiscal year budget approved by the Board provides the authority to NCSD staff to procure materials, supplies, equipment, services, and Public Works referenced in the approved budget for the upcoming fiscal year.

1.4    ~~8.1.30.~~ **CONFLICTS WITH LAWS**

~~In the event these policies and procedures are~~To the extent any provision herein conflicts or is inconsistent with State or Federal law, then said State or Federal law shall control, but only to the extent of the inconsistency, and no other provisions herein shall be affected.

1.5    ~~8.1.40.~~ **SEVERABILITY**

If any one or more of the provisions/sections contained in ~~these~~this Purchase Policies-  
~~and Procedures~~Policy shall for any reason be held to be invalid, illegal or unenforceable in any  
respect, then such provision or provisions shall be deemed severable from the remaining  
provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other  
provision hereof, and ~~these Policies~~this Purchase Policy shall be construed as if such invalid,  
illegal or unenforceable provision had not been contained herein.

## **1.6    ~~8.1.50.~~ MONITORING**

**A.** It is important for the NCSD to evaluate materials, equipment, and services of all  
current suppliers. Suppliers with a low rating can be viewed as costing the NCSD time and  
money, and, therefore, should be terminated upon documentation.

**B.** In an effort to obtain the best prices possible, vendors contacted for quotes and/or  
bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.

**C.** This ~~policy~~Purchase Policy should be reviewed on ~~an annual~~a periodic basis and  
~~changed~~updated where deemed appropriate to reflect changes in the NCSD's operations. The  
General Manager, acting with the Board, may at any time make changes to this  
~~policy~~Purchase Policy to facilitate a more efficient and accountable purchasing process for the  
NCSD.

## **1.7    ~~8.1.60.~~ LIMITATIONS**

Except for Section ~~8.6.10 (B)~~ ~~these policies do~~6.1(B), this Purchase Policy does  
not apply to payment of ~~recurring expenditures~~Recurring Expenditures as defined herein.

## **1.8    ~~8.1.70.~~ CONFLICTING PROCEDURES**

When contracting for services that ~~includes~~include the installation of equipment  
such as computers and electronic devices, the determination of whether the purchase should  
be as a procurement of material, supplies, and equipment or the procurement of services shall  
be made at the General Manager's discretion after giving consideration to the costs of the  
equipment, whether or not the equipment is unique to the person or firm providing the services  
and the cost of the services.



## **1.9    ~~8.1.80~~ EMPLOYEE CONFLICTS**

**A.**    ~~District~~NCSD employees, officers, and Directors are prohibited from using the following practices in conducting business activities:

- 1.**    ~~B.~~    Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, commissions, or other unlawful consideration.
- 2.**    ~~4.~~ Participating in the selection process when the employee, officer, or Director has a relationship with a person or business entity seeking a contract which would subject the employee to the same prohibition as in ~~Govt. Codes~~Government Code Section 87100 related to Conflicts of Interest, which provides:

"No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest."

- 3.**    ~~2.~~—— Purchasing or otherwise acquiring ~~District~~NCSD property and equipment, including surplus property and equipment, for personal use or profit.

~~C.~~—— Employees may not perform services for the NCSD on a contractual basis. Employees may not economically benefit from their employment within the NCSD except as related to their approved salary and benefits.——

**B.**    No NCSD employee, officer, or Director shall accept, directly or indirectly, any gift, rebate, money or anything else of value from any person or entity if such gift, rebate, money or anything of value is intended to reward or be inducement for conducting business.

placing orders with, or otherwise using the recipient's position with NCSD to secure an agreement with the NCSD.

#### **1.10 ETHICAL CONDUCT IN PURCHASING**

**A.** Ethical conduct in managing the NCSD's purchasing activities is absolutely essential. Staff must always be mindful that they represent the District and the Board of Directors and share a professional trust with other staff and the general public. Therefore, when making a purchase, keep in mind the following factors:

- 1.** Is this purchase necessary for the job at hand or for the NCSD to carry on its normal business activities?
- 2.** Is this a reasonable and lowest possible cost for this type of purchase?

**B.** This Policy explicitly prohibits splitting purchase orders in a fiscal year for the purpose of evading the specified dollar limits and avoiding its procurement requirements. Splitting purchases does not allow for a competitive marketplace, increases administrative workflow, and may create ethical issues.

### **CHAPTER 8.22 - GENERAL**

#### **2.1 8.2.10. DEFINITIONS**

**A.** General Manager. The NCSD General Manager and Treasurer or, in his/her absence, the Assistant General Manager.

**B.** Assistant General Manager. The NCSD Finance Director and Assistant General Manager.

**C.** Board of Directors or Board. The Board of Directors of a ~~District~~the NCSD that establishes policies for the operation of the ~~District~~NCSD.

**D.** Capital Equipment. Equipment with a purchase price of five thousand dollars (\$5,000)-~~dollars~~ or more as designated by the General Manager.

E. Contract. A written agreement covering the performance of work or services including the furnishing of labor, materials, tools and equipment in performing services to the NCSD. The term Contract includes Purchase Orders.

F. NCSD. Nipomo Community Services District.

G. Department Manager. The General ~~Manger~~Manager, Assistant General Manager, ~~Utility Superintendent and District Engineer~~ and Director of Engineering and Operations.

H. Change Order or Contract Amendment. Alterations, deviations, additions to or deletions from the plan, specifications and/or scope of services, including the right to increase or decrease the quantity of any item or portion of the work or services or to delete any item or portion of the work or services as may be deemed to be necessary, as determined by the ~~District~~NCSD, for the proper completion, construction of the work or services contemplated.

I. Task Order Contract. Contract with pre-qualified consultant or contractor where specific services are contracted for by Task Orders.

J. Emergency. "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.

K. Purchasing Agent. Department Manager.

L. Purchase Order. A form designed to contain all necessary information and signatures relevant to purchases by the NCSD and is used as a written order to a vendor and may be either an original order or may confirm a verbal order. The current Purchase Order forms may be developed and/or modified from time to time at the discretion of the General Manager.

M. Recurring Expenditures. Administrative expenditures that occur from time to time in the normal course of NCSD business, including, but not limited to, the following: Utilities (electricity, natural gas, telephone service, etc.), servicing of ~~District~~NCSD equipment pursuant to contract, fuel for operation of ~~District~~NCSD vehicles and equipment, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental and on-going rental payments.

N. Warrants. Checks for payment of materials, supplies, equipment, Public Works and services received by the ~~District~~NCSD.

O. Purchase Policy and Procedures or Purchase Policy(ies). ~~Title 8~~Chapter 2.37 of the District~~NCSD~~ Code.

## **2.2    ~~8.2.20.~~ SIGNING AUTHORITY**

The General Manager, or in his/her absence the Assistant General Manager, is hereby authorized to sign on behalf of the NCSD the following documents:

A. Any documents necessary to conduct the general business of the NCSD that does not require prior approval of the Board.

B. Any documents necessary to conduct the general business of the NCSD requiring approval of the Board, after said documents have received approval of the Board, unless the Board specifies that the document be signed by the Board President.

## **2.3    ~~8.2.30.~~ BUDGETED PROCUREMENTS**

A. Budget. At the beginning of each fiscal year the Finance Director shall issue a complete NCSD Budget approved by the Board. This budget will contain the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each NCSD department will receive its own budget for conducting purchasing transactions. It is the responsibility of each Department Manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity.

B. General Manager Approval. Subject to Section C, below, the General Manager or, in his/her absence, the Assistant General Manager shall approve all Contracts, Contract Amendments, Change Orders, Task Order Contracts (and related Task Orders) and Purchase Orders. "Absence" means the General Manager's inability to exercise his or her authority at the time when the NCSD needs to take necessary steps to procure goods or services.

C. Board Approval Required. Board approval is required for the following:

1.     ~~4.)~~ Contracts, Contract Amendments and Purchase Orders for the purchase of supplies, equipment or materials where the estimated cumulative cost is twenty-five thousand dollars (\$25,000) ~~dollars~~ or more.

**2.** ~~2.)~~ Professional service contracts and Amendments where the estimated cumulative cost is twenty-five thousand dollars (\$25,000) ~~dollars or more.~~

**3.** ~~3.)~~ Public Works contracts where the ~~engineer's~~ estimated cumulative cost is ~~twenty-five~~ two hundred thousand ~~(\$25,000)~~ dollars ~~(\$200,000)~~ or more.

**4.** ~~4.)~~ Task Orders or Task Order Amendments where the original scope of service or work is exceed by ten thousand dollars (\$10,000) ~~dollars.~~

**5.** ~~5.)~~ Any procurement referred to the Board by the General Manager or Assistant General Manager.

## **2.4 ~~8.2.40.~~ UNBUDGETED PROCUREMENTS**

The Board shall approve all unbudgeted expenditures except for the following:

**A.** The General Manager or, in his/her absence, the Assistant General Manager is authorized to approve unbudgeted expenditures up to five thousand dollars (\$5,000) ~~dollars~~ for any single purchase.

**B.** Upon written finding of the General Manager that an emergency situation exists, the General Manager is authorized to approve unbudgeted expenditures up twenty-five thousand dollars (\$25,000) ~~dollars.~~

**C.** The General Manager shall account to the Board within thirty (30) days of the expenditures authorized by subparagraphs A & B, above and request the appropriate budget amendments and/or transfers.

## **2.5 ~~8.2.50.~~ METHODS OF PROCUREMENTS.**

The following chart summarizes methods of procurement by category.

**A. Materials, Supplies and Equipment** — See Chapter ~~8.3.3,~~ below, for procedures and limitations.

| <u>DOLLAR AMOUNT</u>                        | <u>PROCUREMENT METHOD</u>  |
|---|--|
| <del>\$0-500</del> <u>\$5,000</u>           | No Purchase Order Required   |
| <del>\$5015,001-\$5,000</del> <u>10,000</u> | Written Quote (minimum <del>2 quotes</del> <u>1 quote</u> )<br>Purchase Order or Contract Required |

|                         |  |
|-------------------------|--|
| \$5,001-10,001-\$24,999 | Written Quote (minimum 3 quotes)<br>Purchase Order or Contract Required  |
| \$25,000 +              | Prepare Notice of Inviting Proposals for<br>Board Approval — Board Approval Required<br>for Contract or Purchase Order |

**B. Professional Services.** - See Chapter 8.4.4, below, for procedures and limitations.

| <u>DOLLAR AMOUNT</u> | <u>PROCUREMENT METHOD</u>  |
|----------------------|--|
| \$0-\$24,999         | Solicit Proposals From a Qualified<br>Consultant/Professional By Whatever<br>Method The Purchasing Agent Deems<br>Appropriate Under The Circumstances. |
| \$25,000 +           | Prepare Request For Proposals for Board<br>Approval — Board Approval of Contract<br>Required.  |

**C. Public Works.** - See Chapter 8.5.5, below, for procedures and limitations.

|              |   |
|--------------|---|
| \$0-\$24,999 | Same as Material Supplies and Equipment (subparagraph A, above)<br>by Purchase Order or Contract.<br><br>Construction — Comparative pricing or competitive bidding by<br>Contract only. |
| \$25,000 +   | Formal Bid Procedures — Board Approval Required.  |

| <u>DOLLAR AMOUNT</u>   | <u>PROCUREMENT METHOD</u>  |
|--|--|
| (Dollar limits are provided in the<br>Uniform Public Cost Accounting | (Informal bidding procedures are provided in the Uniform<br>Public Cost Accounting Act and may subsequently be |

| <u>Act and may subsequently be amended)</u> | <u>amended)</u>  |
|---|--|
| <u>\$0-\$60,000</u>                         | <u>May be performed by NCSD employees by force account, by negotiated contract, or by purchase order</u>   |
| <u>\$60,001-\$200,000</u>                   | <u>Contract by informal procedures as set forth in the Uniform Public Construction Cost Accounting Act</u> |
| <u>\$200,001+</u>                           | <u>Contract by formal procedures as set forth in the Uniform Public Construction Cost Accounting Act</u>   |

## **CHAPTER ~~8.33~~ - PURCHASE OF MATERIALS, SUPPLIES AND EQUIPMENT**

### **3.1    ~~8.3.10~~ - INTRODUCTION**

**A.** The following procedures are established for the purchase of materials, supplies and equipment, as referenced in Government Code Section 54202.

**B.** In addition to the procedures of this Chapter:

**1.** ~~4.)~~ The NCSD may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to ~~Section 10298 of the~~ Public Contract Code Section 10298; and

**2.** ~~2.)~~ The NCSD may request the Purchasing Agent of the County of San Luis Obispo to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title ~~3.3 of the Government Code~~.

**3.** The NCSD may rely on a legally compliant solicitation conducted by another local, regional, state, or national public agency provided that the materials, supplies, and equipment are provided to the NCSD at the same price, and on the same terms and conditions as in that solicitation.

#### **C. Methods of Procurement.**

**1.** ~~4.)~~ Purchases of materials, supplies and equipment are normally made pursuant to Purchase Orders as described in this Chapter.

~~2.~~ **2.)** In the discretion of the Purchasing Agent and with the approval of the General Manager and NCSD Legal Counsel a contract may be substituted for a Purchase Order.

**3.2** ~~8.3.20~~ **PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000) DOLLARS.**

For purchases of materials, supplies and equipment with an estimated cost of less than \$25,000 the following shall apply:

**A.** ~~Competitive written quotes applies to purchase of materials, supplies and/or equipment with an estimated price of greater than \$500.~~ **Types of Quotations:**

**1.** ~~No purchase order is required for standard or non-complex materials with an estimated price of \$5,000 or less.~~

**2.** ~~Verbal—~~ Verbal requests for written quotations will be ~~sent~~ provided to a minimum of ~~two~~ one (21) ~~vendors~~ vendor for purchases of standard or non-complex materials with an estimated price of ~~\$504~~ 5,001 to ~~\$5,000~~ 10,000 and not covered by a contractual agreement.

**3.** ~~Written—~~ Written requests for quotations (RFQ) will be sent to a minimum of ~~three~~ two (32) vendors under the following conditions:

**a.** ~~a.)~~ Purchases estimated to exceed ~~\$5,000~~ 10,000, but less than a total of \$25,000.

**b.** ~~b.)~~ All Capital Equipment purchases exceeding ~~\$5,000~~ 10,000, but less than a total of \$25,000.

**c.** ~~c.)~~ Non-standard conditions, requirements, instructions, etc.

**d.** ~~d.)~~ Any occasion where more permanent documentation is advisable.

**e.** ~~e.)~~ Any purchase based on best value rather than lowest price.

**CB. Award of Purchase Orders:** The Department Manager will examine the quotations for completion and thereon determine the most responsive bidder with consideration of price and date of delivery. The quotation will be attached to the Purchase Order. The purchase order and the award will be made by the Department Manager after



review by the General Manager. The Department Manager or his/her designee will notify the successful and unsuccessful vendors.

**3.3 ~~8.3.30~~ PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000)-DOLLARS.**

**A.** Purchases of material, supplies and equipment equaling to or greater than twenty-five thousand dollars (\$25,000)-dollars shall be approved by the Board with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the NCSD's specifications with the consideration of price and delivery dates.

**B.** The Notice of Inviting Proposals shall be ~~approved by the Board of Directors and~~ published and distributed by the Department Manager in a manner to reasonably assure that the proposed purchase is made to a vendor that most closely meets the NCSD's specification with consideration of price, availability of service and delivery dates.

**C.** Notice of Inviting Proposals shall include the following:

- 1.** ~~1.)~~ A statement of specifications of equipment and/or supplies to be purchased;
- 2.** ~~2.)~~ The location and deadline for submission of proposals;
- 3.** ~~3.)~~ The location where the specifications and proposal blanks forms, if required, may be secured;
- 4.** ~~4.)~~ The proposed delivery date and place of delivery;
- 5.** ~~5.)~~ The date, time and place assigned for the opening of sealed proposals;
- 6.** ~~6.)~~ The type and character of proposal security required, if any;
- 7.** ~~7.)~~ A statement that the NCSD intends to award the Contract to the vendor who submits a proposal that most closely meets the NCSD specifications with the consideration of price and delivery dates;
- 8.** ~~8.)~~ That the NCSD reserves the right to reject all proposals; and
- 9.** ~~9.)~~ Notice that no vendor can withdraw its proposal for a period of sixty (60) days from the date of opening proposals.

D. Alternative Procedure. As an alternative to the procedures described in Paragraphs A, B and C, above, the Board may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another public agency for similar equipment and/or supplies upon the Board approving the purchase by Resolution making the following findings:

1. The other agency's procedures for the purchase were substantially similar to the NCSD's procedures as stated in Paragraphs A, B and C, above.

2. The equipment and/or supplies to be purchased by NCSD is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the NCSD's specifications.

3. The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

### **3.4 ~~8.3.40~~ NON-COMPETITIVE NEGOTIATIONS.**

A. Under some circumstances, the NCSD competitive solicitation requirements may be dispensed with when the services, materials, supplies and equipment are only available from one source either because the brand or trade name article, goods, or product is the only one which will properly meet the needs of the NCSD or the item is unique and available only from a sole source.

**AB.** This approach involves procurement of materials, supplies and equipment through solicitation of a proposal from only one source. Such negotiations may be used in limited situations when the award of a contract or purchase order is not feasible under other methods upon the following findings:

1.     ~~1.)~~ The purchase price is reasonable; and

2.     ~~2.)~~ One or more of the following exists:

a.     ~~a.)~~ —The product is the only one that will properly meet the needs of the NCSD because:

i     ~~i~~ —The item is unique and is available only from a sole source; or

- ii. ~~1.~~ The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.
- b. ~~b.)~~ The product will be used in a field test or experiment to determine the products suitability for future use.
- c. ~~c.)~~ The procurement is for the renewal or extension of a contract for continuing professional services to the NCSD.
- d. Public exigency or emergency will not permit delay.
- e. ~~d.)~~ ~~The~~ Federal Grantor authorized non-competitive negotiations.

#### **B. C. Findings**

1. ~~1.)~~ The Department Manager shall make written findings referenced in subparagraph AB2 above to be approved by the General Manager for purchases less than twenty-five thousand dollars (\$25,000) ~~dollars~~ that are not otherwise approved by the Board.

2. ~~2.)~~ The Board by Resolutions shall adopt findings for purchases referenced in subparagraph AB2 above for purchases of twenty-five thousand dollars (\$25,000) ~~dollars~~ or more.

#### **3.5 ~~8.3.50~~ PURCHASE ORDER PREPARATION.**

**A.** Purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the NCSD.

**B.** The purchase order form is used as a written order to a vendor and shall include a Purchase Order number. A Purchase Order may also serve as a written change order. Purchase Orders must be approved as referenced in Section ~~8.3.23.2~~ above.

**C.** Each purchase order form shall be filled out by the NCSD employee prior to NCSD funds being obligated for a purchase and shall contain the following information:

- 1. ~~1.)~~ Purchase order number, date, department, and who wrote it.
- 2. ~~2.)~~ To whom the purchase order is issued, together with a complete address.
- 3. ~~3.)~~ Quantity/unit and description of item(s) to be purchased.

4. ~~4.)~~ Account number to be charged.

5. ~~5.)~~ Unit price and extended amount (depending upon quantity).

6. ~~6.)~~ If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.

7. ~~7.)~~ The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract amount.

8. ~~8.)~~ The total amount of the purchase order shall include charges for freight and tax, if applicable.

9. ~~9.)~~ The initial purchase order MUST have attached to it the following: the written quote or estimate or a copy of the contract, or other backup supporting documentation.

**D.** The completed purchase order shall be distributed as follows:

1. ~~1.)~~ Vendor Copy (white original)      to be delivered to the vendor, if desired and or/required.

2. ~~2.)~~ Accounts Payable (yellow carbon)      to be delivered to Accounts Payable and attached to the approved invoice.

3. ~~3.)~~ Department Copy (pink carbon)      shall be maintained by the Department in chronological order for accountability purposes.

**E.** The purchase order must be submitted immediately to the General Manager or his/her designee. The purchase order date must precede the order date.

**F.** Any incomplete purchase orders will be returned to the Department Manager for completion.

**G.** Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.

**H.** When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

### **3.6 ~~8.3.60~~ OPEN PURCHASE ORDERS.**

A. A blanket or open purchase order can be used to reduce the time consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.

B. Open purchase orders are to be used when the NCSD will:

1. ~~1.)~~ Purchase repetitive, specified services or items, or categories of items from the same vendor over a period of less than one year, or on a monthly basis.

2. ~~2.)~~ Order standard materials or maintenance supplies, which require numerous shipments.

3. ~~3.)~~ Obtain more favorable pricing through volume commitments.

C. An employee making a purchase with an open purchase order vendor shall immediately transmit the invoice to his/her Department Manager for processing. The Department Manager shall sign the invoice and indicate the budgetary account upon the face of the invoice and promptly route the invoice to Accounts Payable for payment.

D. Open purchase orders generally should NOT be used when:

1. ~~1.)~~ No benefit will be derived over and above a regular purchase.

2. ~~2.)~~ Prices are unknown at ordering time, or subject to change later without notice.

3. ~~3.)~~ Quality of vendor or service is questionable.

4. ~~4.)~~ Control over NCSD expenditures would be weakened significantly.

E. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.

F. Each year during the month of June, each Department Manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

## **CHAPTER 8.44 - PROCUREMENT OF PROFESSIONAL SERVICES**

### **4.1 8.4.40-APPLICABILITY.**

A. The procedures established herein are for the procurement of professional and consulting services including, but not limited to, auditors, electricians, financial advisors, technology advisors, rate consultants, plumbers, private architects, landscape architect, engineers, environmental consultants, land surveyors, and/or construction project managers, or other individuals or organizations possessing a high degree of professional, unique specialized technical skill or expertise, not always adaptable to competitive bidding.

B. It is the policy of the NCSD to employ professional and other consultant services whenever it is in the NCSD's best interest.

C. The requirements to solicit proposals referenced in Sections ~~8.4.40~~ 4.4 & ~~8.4.50~~ 4.5, below, do not apply to:

1. ~~1.)~~ Contract Amendments so long as the amendment is related to the completion of the contemplated work or services of the original Contract.
2. ~~2.)~~ Contracts for the continuation of professional service where the key personnel providing services have relocated to a different firm or company.
3. ~~3.)~~ Contracts for services related to litigation.

#### 4.2    ~~8.4.20~~ **METHOD OF PROCUREMENT.**

Procurement of Professional Services is normally made pursuant to a Contract or Task Order Contract.

#### 4.3    ~~8.4.30~~ **QUALIFICATIONS.**

Professional service contracts shall be awarded on the basis of demonstrated competence and qualifications for the type of service to be performed and at a fair and reasonable price to the District NCSD.

#### 4.4    ~~8.4.40~~ **PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND DOLLARS (\$25,000) DOLLARS.**

A. For contracts estimated to be less than \$25,000 the Purchasing Agent will solicit proposals from the qualified consultants and professionals by whatever method the Purchasing Agent deems most appropriate under the circumstances.

B. Professional services will only be procured by a contract that is approved by the General Manager and ~~District~~NCSD legal counsel.

**4.5 ~~8.4.50~~ PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND DOLLARS (\$25,000)-DOLLARS OR MORE.**

The following procedures shall apply the procurement of professional services with an estimated cost of twenty-five thousand dollars (\$25,000)-dollars or greater.

A. The Board of Directors shall approve the request for proposals and the award of professional service contracts.

B. The written contract shall be awarded to the professional service provider who, in response to a request for proposals, submits a statement of qualifications and proposal for services that most closely meets the ~~District~~NCSD's requirements at a fair and reasonable cost.

**4.6 ~~8.4.60~~ NON-COMPETITIVE NEGOTIATIONS.**

A. Under some circumstances, the NCSD competitive solicitation requirements may be dispensed with when the professional service is only available from one source either because the professional service provider is the only provider which will properly meet the needs of the NCSD or the professional service is unique and available only from a sole source.

B. This approach involves procurement of professional ~~and consultant~~ services through solicitation of proposals from only one source. Such negotiations may be used in limited situations based on the following findings:

1. ~~1.)~~ The service provider is qualified pursuant to Section ~~8.4.30~~4.3.

2. ~~2.)~~ The cost of the services is reasonable; and

3. ~~3.)~~ One or more of the following exists:

a. ~~a.)~~—The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the ~~District~~NCSD; or

b. ~~b.)~~—An Emergency will not permit delay.

B. C. Findings

~~1.~~ 4.) The Department Manager shall make written findings referenced in subparagraph A, above, to be approved by the General Manager for Professional Services Contracts where the cumulative costs are estimated at less than twenty-five thousand dollars (\$25,000) ~~dollars~~ that are not otherwise approved by the Board.

~~2.~~ 2.) The Board by Resolutions shall adopt findings references in subparagraph A, above, for Professional Services Contracts where the cumulative costs are estimated at twenty-five thousand dollars (\$25,000) ~~dollars~~ or more.

## **CHAPTER 8.5 ~~PROCUREMENT OF PUBLIC WORKS~~ 5 - PROCUREMENT OF PUBLIC WORKS**

### **8.5.10 ~~APPLICABILITY.~~**

~~A.~~ The following procedures apply to:

~~1.) To the purchase of materials and supplies for the construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.~~

~~2.) The construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.5.~~

~~B.~~ These procedures do not apply to emergency procurement as defined in Public Contracts Code Section 22050.

~~C.~~ In addition to the procedures of this Chapter, the District may request the purchasing agent of the County of San Luis Obispo to contract with persons to provide projects, services, and programs authorized by this division pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

### **8.5.20 PURCHASE OF MATERIALS AND SUPPLIES FOR**

#### **5.1 UNIFORM PUBLIC CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH A COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS COST ACCOUNTING ACT (UPCCAA).**

The contract or purchase order for the purchase of materials and supplies for the construction or completion of buildings, structures or improvements where the estimated cost is less than twenty-five thousand (\$25,000) dollars shall be let pursuant to the quotation procedures referenced in Section 8.3.30.



**~~8.5.30 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES, OR IMPROVEMENTS WHERE THE ESTIMATED COST IS LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS~~**

Pursuant to Public Contract Code Section 20682(g), the NCSD has elected to become subject to the Uniform Public Construction Cost Accounting Act ("UPCCAA"), Public Contract Code Sections 22000 *et seq.*, when contracting for the construction of public projects, as defined by Public Contract Code Section 22002. Where applicable, the NCSD will adhere to the alternative bidding procedures provided by the UPCCAA. Public projects (as defined in Public Contract Code Section 22002) that do not exceed the dollar limits in Public Contract Code Section 22032(b) (as such limits currently exist or may subsequently be amended) may be let to contract by informal procedures as set forth in the UPCCAA.

**5.2 UPCCAA CONTRACTING PROCEDURES AND DOLLAR AMOUNT LIMITATIONS.**

Contracts for public projects shall be awarded pursuant to the dollar limitations established by the UPCCAA (Public Contract Code Section 22032(b)), which as of the time of the adoption of this Policy are as follows:

- A.** The District may construct or complete any building, structure, or improvement with its own forces or by contract without bidding when the cost does not exceed twenty-five thousand (\$25,000) dollars. Public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
- B.** Except as provided in subparagraph A, above, for the construction or completion of buildings, structures or improvements with an estimated cost of \$25,000 or less the Purchasing Agent shall seek the most favorable terms and price through comparative pricing or competitive bidding, whichever method the Purchasing Agent deems most appropriate under the circumstances. Public projects of two hundred thousand dollars (\$200,000) or less may be let to contract by informal procedures as set forth in the UPCCAA.

**~~8.5.40 PURCHASE OF MATERIALS AND SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF \$25,000 OR MORE.~~**

- C.** Public projects of more than two hundred thousand dollars (\$200,000) shall, except as otherwise provided in the UPCCAA, be let to contract by formal bidding.

procedures.

Pursuant to Public Contract Code Section 22033, it shall be unlawful to split or separate into smaller work orders or projects any public project for the purpose of evading the requirements of the UPCCAA.

### **5.3 INFORMAL BIDDING PROCEDURES.**

~~Contracts or purchase orders for materials and supplies for the construction or completing of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Sections 20680 et seq. of the Public Contract Code.~~

Pursuant to the UPCCAA (Public Contract Code Section 22034), the NCSD enacted an informal bidding ordinance to govern the selection of contractors to perform public projects subject to informal bidding procedures under Public Contract Code Section 22032(b). The NCSD's informal bidding ordinance is codified in Chapter 2.43 of the NCSD Code.

Pursuant to Public Contract Code Section 22034(d), if all bids received pursuant to the NCSD's informal bidding procedures are in excess of two hundred thousand dollars (\$200,000), the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand five hundred dollars (\$212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the NCSD was reasonable.

### **5.4 FORMAL BIDDING PROCEDURES.**

~~8.5.50 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE.~~

The formal bidding procedures provided by the UPCCAA (Public Contract Code Sections 22037 et seq.) will govern the selection of contractors to perform public projects subject to formal bidding procedures under Public Contract Code Section 22032(b).

### **5.5 EMERGENCIES.**

~~Contracts for the construction or completion of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted~~

for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Section 20680 of the Public Contract Code.

#### **~~8.5.60~~ AUTHORITY OF THE GENERAL MANAGER.**

**A.** ~~The General Manger is the District's authorized agent to consent to substitution of contractors as provided in Public Contract Code Section 4107. Pursuant to Public Contract Code Section 22035, in cases of emergency when repair or replacements are necessary, the Board may proceed at once to replace or repair any public facility without giving notice for bids to let contracts. The work may be done by day labor under the direction of the Board, by contractor, or by a combination of the two.~~

**B.** ~~Unless otherwise directed by the Board of Directors at the time of the award of the contract, the General Manager is authorized to execute changed orders up to 15% of the contract price upon a written finding of project budget consistency. Once the 15% is expended, further change order authority requires Board of Directors approval. In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 of the Public Contract Code (commencing with Section 22050).~~

### **CHAPTER ~~8.66~~ - PAYMENT**

#### **~~6.1~~ ~~8.6.10~~ WARRANTS**

**A.** All supporting documents including the, Purchase Order, Task Order, proof of receipt, packing slip, etc. will be attached to the Invoice and presented to the General Manager for payment pursuant to subparagraph B, below. The Invoices will be reviewed and initialed by the General Manager verifying that the documents are internally consistent, that invoices being paid are original, that receipt of goods or services has been acknowledged by the NCSD Department Manager and that the amounts agree between documents.

**B.** The General Manager is authorized to approve Warrants for Recurring Expenditures that are within 110% of the budget. The Board of Directors shall approve all other Warrants as part of its approval of the Warrant Register.

C. A copy of the Warrant shall be made prior to it being mailed. The Invoice and supporting documentation shall be attached to the copy of the Warrant and then filed by vendor/service provider and separated by the fiscal year in which the payment was made.

## **6.2 ~~8.6.20~~ CHECK SIGNING PROCEDURES**

A. The Directors of the ~~District~~NCSD, the General Manager and the Assistant General Manager are authorized to sign checks on behalf of the ~~District~~NCSD.

B. All checks issued by the ~~District~~NCSD shall contain two (2) signatures, one of which shall be a Director of the ~~District~~NCSD.

## **6.3 ~~8.6.30~~ PAYMENT VIA NCSD CREDIT CARDS**

A. All purchases using a NCSD credit card are subject to the same requirements and procedures as outlined in of this policy, and the following additional requirements:

1. ~~1.-~~ All NCSD credit cards shall be issued on a department basis in the name of each Department Manager. The General Manager shall manage the administration of NCSD credit cards.

2. ~~2.-~~ Only the General Manager and the Department ~~Managers~~Managers are authorized to sign credit card purchases. Department Managers may allow their department employees to use the department credit card; however, the Department Manager is responsible for its care and control.

3. ~~3.-~~ The following travel and meeting expenses are authorized to be paid by NCSD credit cards:

- Telephone calls to the NCSD when out of town;
- Expenses related to travel by car on NCSD business;
- Lodging and meals when out of town on NCSD business; and
- NSCD approved seminars and business meetings.
- Credit card receipts SHALL BE obtained for these expenses and turned in immediately upon return to the NCSD Treasurer or his/her designee. If a credit

card receipt is lost or misplaced, the receipt replacement form must be promptly filled out by the responsible person and turned in to the NCSD Treasurer or his/her designee.

**4.** ~~4.-~~ The credit limit on the NCSD credit cards shall be six thousand dollars (\$6,000) ~~dollars~~-per month for the General Manager and one thousand dollars (\$1,000) ~~dollars~~-per month for each Department Manager.

**5.** ~~5.-~~ Credit card purchases for orders that are made via telephone or Internet are permitted. Purchases over five hundred ~~(\$500)-dollars~~ (\$500) must be accompanied by a purchase order. A receipt must be obtained and turned in to Accounts Payable.

**6.** ~~6.-~~ The use of NCSD credit cards for personal purchases or spending is prohibited. Any violation of this policy will result in loss of NCSD credit card privileges and violations are subject to disciplinary action.

**7.** ~~7.-~~ Cash advances on any NCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

#### **6.4    ~~8.6.40~~ PETTY CASH PROCEDURES**

**A.** The NCSD Treasurer or his/her designee shall maintain a petty cash fund of two hundred ~~(\$200)-dollars~~ (\$200).

**B.** Signed receipts are required for all withdrawals from petty cash. There are no exceptions to the receipt rule.

#### **6.5    PAYMENT BY ELECTRONIC FUNDS TRANSFER**

**A.** NCSD may make payments by Electronic Funds Transfer ("EFT") in compliance with the applicable payment provisions of this Chapter 6 and banking rules and regulations.

Document comparison by Workshare 9.5 on Thursday, September 3, 2020  
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| Document 2 ID | interwovenSite://RWGDM1/RWGIMAN1/2407041/3  |
| Description   | #2407041v3<RWGIMAN1> - Final NCSD - Purchase Policy and Procedures - includes Mario's revisions |
| Rendering set | Standard  |

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